

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS

R. ALEXANDER ACOSTA,)	
Secretary of Labor,)	
United States Department of Labor,)	Civil Action
)	
Plaintiff,)	No. 2:16-cv-00049-J
)	
v.)	
)	
CACTUS FEEDERS, INC., LUBBOCK)	
NATIONAL BANK, PAUL ENGLER,)	
MICHAEL ENGLER, JACK RHOADES,)	
JERRY MILLER, EUGENE LEMAN,)	
BRADLEY HASTINGS, KEVIN)	
HAZELWOOD, RONALD HARGIS,)	
and CACTUS FEEDERS, INC.)	
EMPLOYEE STOCK OWNERSHIP PLAN,)	
)	
Defendant.)	

PARTIAL SETTLEMENT AGREEMENT

This Partial Settlement Agreement is entered into by and between Plaintiff, R. Alexander Acosta, Secretary of Labor, United States Department of Labor (“Secretary”), and Defendants Jack Rhoades, Jerry Miller, and Eugene Leman, by and through their respective counsel of record to settle all civil claims and issues between them.

WHEREAS, the Secretary’s predecessor, Thomas E. Perez, acting in his official capacity, pursuant to his authority under Title I of the Employee Retirement Income Security Act of 1974 (“ERISA”), 29 U.S.C. § 1001 *et seq.*, as amended, filed a Complainant (DOC #1) on March 10, 2016, in connection with the December 22, 2010 sale of employer stock to the Cactus Feeders, Inc. Employee Stock Option Plan, and R. Alexander Acosta, current Secretary of Labor, United States Department of Labor, in his official capacity substituted for Thomas E. Perez and is now the plaintiff;

WHEREAS, on January 13, 2017, Defendants filed their Answer (DOC #25);

WHEREAS, the Secretary and Defendants Rhoades, Miller, and Leman, through their respective attorneys have negotiated resolution of their disputes and claims with each other; and

WHEREAS, the Secretary and Defendants Rhoades, Miller, and Leman have exchanged valuable consideration and agree to settle on the terms and conditions set forth hereafter as full and complete resolution of all of the civil claims and issues arising between them without trial or adjudication of any issue of fact or law raised in the Secretary's Complaint and other claims and issues as set forth in this Partial Settlement Agreement;

NOW THEREFORE, in consideration of the mutual covenants set forth in this Partial Settlement Agreement and other valuable and sufficient consideration, the Secretary and Defendants Rhoades, Miller, and Leman have agreed to the following terms:

A. The Secretary and his agents, representatives, assigns, predecessors and successors in interest, acting in their official capacities, do hereby waive, release, and forever discharge any and all claims, demands, actions, causes of action, liabilities, or fines (including any payment under Section 502(l) of ERISA), and pending investigations of whatever nature, that they may have against Defendants Rhoades, Miller, and Leman relating to any ESOP stock transactions that closed prior to July 25, 2017, and all such claims are hereby released and settled.

B. Defendants Rhoades, Miller, and Leman do hereby waive, release and forever discharge any and all claims,

C. With respect to the claims, actions and causes of action being released in this Partial Settlement Agreement, the Parties intend this Settlement Agreement to serve as a general release, notwithstanding whether the Secretary and Defendants Rhoades, Miller, and Leman have learned of all of the facts upon which those claims, actions or causes of action are based.

D. The Secretary and Defendants Rhoades, Miller, and Leman agree to bear their own costs, expenses, and attorneys' fees incurred in any way with the Secretary's investigation, this

action, any other proceedings incident thereto, the parties' settlement negotiations, and this Partial Settlement Agreement.

IN WITNESS WHEREOF. The parties through their respective duly authorized representatives have executed this Settlement Agreement on the date(s) set forth hereunder.

FOR DEFENDANTS JACK RHOADES,
JERRY MILLER, AND EUGENE LEMAN



THEODORE M. BECKER
RICHARD J. PEARL
Drinker, Biddle & Reath LLP
191 N. Wacker Drive, Suite 3700
Chicago, Illinois 60606
(312) 569-1000—Telephone
(312) 569-3000—Fax



SHAWN D. TWING
Mullin, Hoard & Brown, LLP
P.O. Box 31656
Amarillo, Texas 79120
(806) 371-5050—Telephone
(806) 372-5086—Fax

Attorneys for Defendants.

FOR PLAINTIFF

NICHOLAS C. GEALE
Acting Solicitor

JAMES E. CULP
Regional Solicitor

ROBERT A. GOLDBERG
Counsel for ERISA

TINA D. DAVILA
Trial Attorney-in-Charge
Texas Bar No. 24027549
Email: davila.tina.d@dol.gov

KRISTINA T. HARRELL
Senior Trial Attorney
Email: harrell.kristina@dol.gov



MATTHEW P. SALLUSTI
Senior Trial Attorney
Texas Bar. No. 24013447
Email: sallusti.matthew@dol.gov

CHRISTOPHER D. LOPEZ-LOFTIS
Trial Attorney
Texas Bar No. 24086924
Email: lopez.christopher.d@dol.gov

Attorneys for Plaintiff.

Certificate of Service

I hereby certify that on the 7th day of ~~August~~ SEPTEMBER, 2017, true and correct copies of the following documents:

Notice of Partial Settlement and Stipulation to Entry of Order


Exhibit 1 – Partial Settlement Agreement

Proposed Order Incorporating Partial Settlement Agreement

were served upon the attorney of record of all parties or upon all parties to the above entitled and numbered cause through the ECF system to:

Theodore M. Becker
Richard J. Pearl
Drinker, Biddle & Reath LLP
191 N. Wacker Drive, Suite 3700
Chicago, Illinois 60606

Shawn D. Twing
Mullin Hoard & Brown, LLP
P.O. Box 31656
Amarillo, Texas 79120


MATT P. SALLUSTI
Senior Trial Attorney

 MATTHEW